

Last summer, following the passing of PERAC Chairman Elizabeth Laing, Commission members selected me as their Chairman. In large part due to the cordial, professional atmosphere established by Liz, my transition to that role has been smooth. Although many of the issues that we deal with are controversial and each Commissioner advocates strenuously for their position, that sense of professionalism and camaraderie has been maintained.

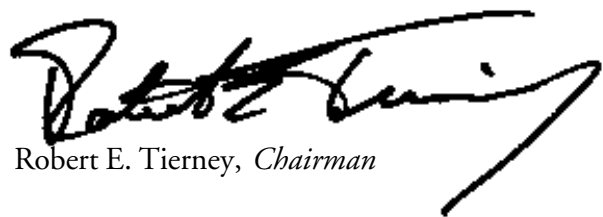
Late in the year the Commission lost Pat Lowery, one of our most valued and respected staff members, to whom this report is dedicated. Her example provides a lesson for all of us, personally and professionally. The commitment and dedication demonstrated by her on a daily basis serves as a model for all of our staff.

During its existence, PERAC has aggressively pursued its expanded statutory role in monitoring disability retirees. This has led to savings in the form of excess earnings remitted to retirement systems, a return to productive lives for disabled retirees now back to work and perhaps most importantly, increased confidence in the pension system itself. The Commission has exceeded expectations in fairly, efficiently and comprehensively fulfilling these responsibilities.

The duties of the Commission are, of course, not limited to that important function. PERAC oversees the activities of 106 retirement boards and one investment board. The areas of this responsibility include audit, investment, actuarial, medical, legal, and financial as well as the administrative implementation of Chapter 32, the Massachusetts Public Pension Law. This wide range provides constant challenges to the Commission and its staff. I am pleased to be able to assure public officials, retirement boards, system members and citizens that Executive Director Joe Connarton and his staff are more than up to the task. Joe and the staff have years of experience dealing with our pension law and as a result, possess a sensitivity and a level of knowledge that has enabled the Commission to achieve great results in its first four years of operation.

As I indicated, my service on the Commission began last summer under difficult circumstances. The assistance of other Commission members has enabled me to fulfill my duties as Chairman. The commitment and vision of Auditor Joseph DeNucci, Administration & Finance Representative Peter Forman, Public Safety Representative John Abbott, AFL-CIO Representative Ken Donnelly and former Arlington Town Manager Don Marquis has led to the record of achievement outlined in this report.

In closing, on behalf of the Commission and staff, I would like to thank Peter Forman for his service. Peter has recently assumed new duties that preclude his continuing his role on the Commission. Through his fair and reasoned approach, Peter has made a lasting contribution to the Commission and to members and beneficiaries of our retirement system.

A handwritten signature in black ink, appearing to read "Robert E. Tierney". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Robert E. Tierney, *Chairman*